
OLR Bill Analysis

sHB 6365

AN ACT CONCERNING INSURANCE FOR MUNICIPALITIES.

SUMMARY:

This bill requires an insurance producer who sells, solicits, or negotiates insurance on an insurer's behalf with certain municipalities or any board of education to list his or her commission as a separate line item on insurance policy rate quotes.

By law, the producer, at the municipality's or board's request, must disclose in writing any fees or compensation he or she receives from the insurer. Under the bill, producers no longer have to provide their fees or compensation information to a municipality with fewer than 50,000 people.

Current law defines "municipality" as any town, city, borough, consolidated town and city, or consolidated town and borough. The bill limits this definition to those municipalities with 50,000 or more people.

EFFECTIVE DATE: July 1, 2011

BACKGROUND

19 Municipalities Affected

According to the 2010 U.S. Census data, the following 19 municipalities have 50,000 or more people: Bridgeport, Bristol, Danbury, East Hartford, Fairfield, Greenwich, Hamden, Hartford, Manchester, Meriden, Milford, New Britain, New Haven, Norwalk, Stamford, Stratford, Waterbury, West Hartford, and West Haven.

Legislative History

The House referred the bill (File 103) to the Appropriations Committee, which reported a substitute that eliminates the prior bill's

requirement that municipalities put each group health insurance policy out to competitive bid when the policy renews or a rate guarantee expires. The substitute (1) requires insurance producers to list their commissions as a separate line item on rate quotes and (2) limits requirements to municipalities with 50,000 or more people.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 13 Nay 7 (03/03/2011)

Appropriations Committee

Joint Favorable Substitute

Yea 40 Nay 11 (04/26/2011)